

AUDIT COMMITTEE CHARTER

This Audit Committee Charter was adopted by the Board of Directors of the Ulster County Development Corporation, a not-for-profit corporation established under the laws of the State of New York, on the 15th day of December, 2011 and was amended and restated on July 8, 2013.

Purpose

- Pursuant to Article X, Section B of the corporation's bylaws, the purpose of the Audit Committee shall be to assure that the corporation's board fulfills its responsibilities for the corporation's internal and external audit process and internal controls over financial reporting.

Duties and Responsibilities of the Audit Committee

It shall be the responsibility of the Audit Committee to:

- Make recommendations to the board of directors on appointments, compensation and oversight on any independent auditors employed by the corporation;
- Review the corporation's audited financial statements, associated management letter, report on internal controls and all other auditor communications and make recommendations thereon.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulator pronouncements, and understand their impact on the financial statements.
- Review management's assessment of the effectiveness of the corporation's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.
- Conduct or authorize investigations into any matters within its scope of responsibility;
- Seek any information it requires from corporation employees, all of whom should be directed by the board to cooperate with committee requests;
- Meet with corporation staff, independent auditors or outside counsel, as necessary; and
- Recommend to retain, at the corporation's expense, such outside counsel experts and other advisors as the Audit Committee may deem appropriate.

The Board of Directors of Ulster County Development Corporation will ensure that the Audit Committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

The Audit Committee shall be established as set forth in and pursuant to Article VI, Section C of the corporation's bylaws. The Audit Committee shall consist of at least three independent members of the board of directors who shall constitute a majority on the committee. Provided the Board has less than three independent members, the Board may appoint non-independent members to the committee provided that the independent members constitute the majority.

Audit Committee members shall be prohibited from being an employee of the corporation or an immediate family member of an employee of the corporation.

Ideally, all members of the Audit Committee shall possess or obtain a basic understanding of governmental financial reporting and auditing.

The Audit Committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the corporation.

Meetings

The Audit Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Audit Committee are expected to attend each committee meeting, in person or via videoconference. The Audit Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The Audit Committee will meet with the corporation's independent auditor at least annually to discuss the financial statements of the corporation.

Meeting agendas will be prepared for every meeting and provided to the Audit Committee members along with briefing materials not less than seven (7) nor more than thirty (30) days before the scheduled Audit Committee meeting. A majority of the committee members shall constitute a quorum. The Audit Committee will act only on the affirmative vote of a majority of the members of the committee. Minutes of these meetings will be recorded.

Meetings of the committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public

Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.